



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 08 (ending 19/02/2016)

"All things are difficult before they are easy." – Thomas Fuller

Irish consumer prices up 0.1% in January – According to new figures from the Central Statistics Office (CSO), consumer prices rose by 0.1% in January of this year compared to the same time last year. The cost of motor insurance jumped over 30%. Education costs rose by 3.8% with extra expenses related to 3rd level.

Ireland least complex place to do business – A survey by business services group TMF shows Ireland is the least complex country for multinational companies to stay compliant with corporate regulations. The survey compared 95 countries according to regulatory and compliance regimes. Argentina is the most complex.

Global stock markets up over 2% during the week – Markets moved higher during the week with the MSCI World Index up 2.3% from 15th to 19th February, adding to the gains from the previous Friday. Markets responded to better news on the prospects for the U.S. economy and tentative signs of oil supply agreements.

U.S. industrial production rebounds – U.S. industrial production data showed a sharp 0.9% bounce in January, the most since November 2014 and the first advance since July. Production at factories was up 1.2% year on year and encourages hopes that the worst of the manufacturing downturn may be over.

ECB meeting minutes boost expectations for extended QE in March – Minutes published from the European Central Bank's governing council January policy meeting show a unanimous move to review and reconsider its policy stance in March. This increased expectations of an expansion in monetary easing policy.

U.K. retail sales jump much more than expected – The Office for National Statistics reported that there was a 2.3% rise in the volume of retail sales in January which was the largest jump in more than two years and almost three times the growth forecasted by economists. It gives a boost to Q1 economic growth forecasts.

The Story of the week: Eating chocolate 'improves brain function' according to a Maine-Syracuse Longitudinal Study. Chocolate consumption was found to be associated with cognitive performance "irrespective of other dietary habits." More frequent chocolate consumption was significantly associated with better performance in mental tests.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 19/02)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-9.6
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-4.2
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-12.0
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	-5.8
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-10.0
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-16.1
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	-5.1
MSCI World	-7.6	13.1	26.2	7.7	0.2	-8.0
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
US	1.9	1.7	3.0	2.2	2.2	1.8
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	1.5
Greece	31.7	12.7	8.2	9.6	7.9	10.4
Portugal	13.4	6.9	6.1	2.7	2.5	3.4
Spain	5.1	5.4	4.1	1.6	1.7	1.7
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.05
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.10
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.77
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.41
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	20.2 (to end of Q3)
UK	14.5	8.1	2.7	10.7	17.8	9.9 (to end of Q3)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

*Past performance is not a reliable guide to future performance